

Toshiba — E-Invoicing: Finding Success in a Complex Invoice Environment

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Irvine, Calif.-based Toshiba America Business Solutions, Inc., (TABS) is an independent operating company of Toshiba Corporation, the world's eighth-largest electronics/electrical equipment company.

With the award-winning Encompass™ managed print services (MPS) programme, e-STUDIO™ line of multifunction printers (MFPs), toner products and retail information/thermal printing systems, TABS is leading the way for businesses to print smarter, work safer and conserve resources.

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Manufacturing and Marketing

Benefits of the Esfer Accounts Receivable Automation Solution:

- Cut the cost of sending invoices by 40-80%
- Reduce document handling time up to 96%
- Reduce billing errors and returns up to 90%
- Significantly reduce DSO
- Prevent lost invoices and related documents
- Free-up customer service representative time

As a wholly-owned subsidiary of Toshiba America Business Solutions, (TABS) Toshiba Business Solutions (TBS) is a leading managed document services (MDS) provider with experts that help organisations take control of document security, workflow and print environments. After re-engineering its internal invoice template to be more customer-friendly, TBS sought to implement an electronic delivery component as well — forming a successful partnership with Esfer and leveraging its Accounts Receivable (AR) solution.

Past Problems

The economic downturn that began in 2008 forced even the most successful companies to focus on internal cost-control and efficiency measures. At TBS, one area of business seemed ripe for potential improvement efforts. "Our invoice format and process hadn't been reviewed since we implemented the Oracle ERP nearly 10 years ago," said Todd Kirkham, Director of Operations and Acquisitions at Toshiba Business Solutions.

Common invoicing issues and customer complaints included:

- Invoice format was confusing and cluttered
- Difficulty understanding how to read the invoice
- Increased volume of calls to AR, causing a drag on resources
- DSO impacted negatively due to delays in customer payments
- No electronic delivery

In addition, TBS had a manual invoice review process in place that caused a number of issues. "Invoices required review before mailing, and this process had become tedious and time consuming," said Kirkham. "Invoices would have to be printed, pulled and reviewed before being sent. The current process no longer had the capability to handle what we were doing."

Main Objectives

Moving forward, Kirkham and other TBS leaders concluded that, in order to bring more simplicity and efficiency to their invoicing process, electronic delivery would be needed. Two main objectives were defined:

1. Re-engineer the invoice template to make it more customer friendly
2. Get an electronic delivery component (web portal) to integrate with the Oracle ERP and internal invoicing process, and persuade customers to adopt e-invoicing

“ We really wanted to understand the pain points with our invoicing process, how our customers were impacted, and what we could do to become more efficient with the process — Esfer helped us identify and solve them. ”

Todd Kirkham ▪ Director of Operations and Acquisitions
▪ Toshiba Business Solutions

The Solution: Esker on Demand

Esker offers the benefits of a complete AR automation solution as an on-demand service. Seamlessly integrating with existing invoicing applications, the Esker solution completely automates the sending and archiving of invoices regardless of delivery method (e.g., mail, fax, e-invoice, etc.), and provides access to a customisable invoice exchange portal.

Finding the right fit

After TBS defined its goals, it became clear that a partnership was in order. *"We quickly realised we would need to partner with someone who specialised in variable data,"* said Kirkham. *"Esker, because of its mid-market size, flexibility and expertise to our unique challenge, was a great fit."*

Besides needing a variable data component to populate its new invoice templates, TBS also required a partner who could create multiple web portals for customers adopting e-invoicing. *"Since TBS has 13 subsidiaries nationwide with over 100 locations, we needed to create 13 independent web portals where location-specific invoices could be viewed independently by subsidiary,"* said Kirkham.

The Benefits

More efficient, visible workflow

"Due to our intricate setup with many moving parts, we don't have the easiest process to deal with," said Kirkham. *"The Esker team always went the extra mile to make sure implementation went smoothly and we got the solution we were looking for."*

Integrating the Esker solution with its Oracle application allowed TBS to streamline its workflow process so that:

1. TBS creates a data file in Oracle and XML that is pushed to Prism (variable data software partner)
2. Prism takes data out of the XML file and populates that template appropriately
3. Template then goes to Esker in a PDF format and Esker distributes the PDF electronically

New functionality

Creation of the web portal led to several new functionalities that benefited the internal invoicing process at TBS. *"With the invoices going into the web portal, they can be easily accessed with a single click,"* said Kirkham. Adding, *"It was important to improve efficiency with our internal invoice review process as we moved it from printed invoices to online invoices. Not only is the review process easier and faster for our users, but it is also environmentally 'Green.' Deselecting an invoice can now be done in the portal, instantly."*

What's more, if TBS customers sign up for e-invoicing in the web portal, the Esker solution gives TBS the advantage of invoice traceability (e.g., when the invoice was accessed, processed, completed, etc.). *"The visibility that Esker provides has dramatically reduced the number of calls coming into our AR department,"* said Kirkham. *"Plus, as customers sign up, we're retaining all of that key information."*

Customer e-invoicing adoption

When TBS re-engineered its invoice template, a variable marketing component was added that pushed customers to a URL to sign up for e-invoicing. *"We started from ground zero,"* said Kirkham. *"We didn't have one Accounts Payable email address in our system, so we wanted to simplify the customer sign-up process and utilise invoice marketing to help move our customers to the URL to enroll."*

Still, these marketing efforts led to a less than 1% e-invoicing adoption rate. Leveraging the Esker solution, TBS was able to generate a list of every customer invoiced through the portal, and from that list, send out more targeted and intriguing promotions such as customer and employee engagement offers that have proven to boost adoption rates.

"The customer now has options," said Kirkham. *"They can continue to receive invoices via postal mail, get them delivered via email as a PDF attachment, or get a web link attachment."* He added, *"There is also the capability to hold invoice processing in the portal to accommodate holidays or the variability of work schedules, which is a great benefit."*

Estimated ROI target

The savings and value that TBS expects to get back from this e-invoicing initiative are largely predicated on the customer adoption rate increasing. *"We wanted a project ROI target that was realistic,"* said Kirkham. *"We settled on a 10%, 15% and then 20% adoption rate over three years. Based on estimated invoice volume, we're expecting approximately \$342,000 ROI. That's a significant benefit, and something we would not be able to achieve without our key partnership with Esker."*

“ We now are fully implemented on the Esker platform. Even with an incredibly complex setup, Esker was first-class in getting us equipped to support e-invoicing and realise our ROI target. ”

Todd Kirkham ■ Director of Operations and Acquisitions ■ Toshiba Business Solutions

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